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REPORT OF REVENUE OUTLOOK FOR  
LAST SIX MONTHS OF FY. . .

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STATE OF SOUTH CAROLINA  
BOARD OF ECONOMIC ADVISORS

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SUBJECT: Report on Revenue Outlook for Last Six Months of FY 1983-84

TO: South Carolina Budget and Control Board and the South Carolina  
General Assembly

The Board of Economic Advisors is required by Section 57, Part II of Act 151 of 1983 to provide a synopsis of the revenue outlook for the last six months of the fiscal year on December 31st of each year. The synopsis for December 31, 1983 is provided herein, with supporting data in attachments A and B.

Economic activity in the first six months of FY 1983-84 has been characterized by rapid growth in production, income and retail sales and also by steady increases in employment and wages. Revenues have grown accordingly to the extent that a positive adjustment of \$21 million was made in the forecast for this year on October 27, 1983. The momentum of the recovery has been positive throughout 1983 but the pace of growth in the fourth quarter was reduced to more normal and sustainable levels.

The economic and revenue outlook for the last six months of this fiscal year is favorable but it is anticipated that the rates of increase will be somewhat slower than in the first six months, which is normal in the second period of recovery from a recession.

At this point, without adequate information on the extent of Christmas period retail sales and the full impact of changes in the tax reporting system made last Spring, the conclusion is a positive one that overall revenues will meet the forecast or perhaps exceed it somewhat. Sales tax increases should moderate somewhat toward the targeted amount while individual income tax receipts should move upward closer to the forecasted increase for the year. More definitive estimates will be available by the time of the final scheduled forecast on February 15, 1984 when the results of the Christmas sales are in and the effect of changes in the income tax reporting system will be more clearly measurable.

Board of Economic Advisors  
J. A. M.  
December 31, 1983

Attachments A and B

# ATTACHMENT A

## COMPARISON OF STATE GENERAL FUND REVENUES AND PERSONAL INCOME An Outlook for the Next Six Months

Fiscal Years	Personal Income At Annual Rates (Millions of \$)	Percent Change	Cumulative General Fund Revenues (Millions of \$)	Percent Change	Income Elasticities
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1981-82					
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1981:3	\$26247	13.9%	\$ 464.657	8.6%	.619
4	26595	11.2	906.866	8.1	.723
1982:1	26672	7.6	1356.060	8.1	1.066
2	27062	6.4	1804.169	5.6	.875
1982-83					
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1982:3	27327	4.1	498.024	7.2	1.756
4	27863	4.8	956.025	5.4	1.125
1983:1	28327	6.2	1445.958	6.6	1.065
2	29071	7.4	1969.930	9.2	1.243
1983-84					
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1983:3	Forecasts 29478	8.2	567.1	13.9	1.695
4	30170	8.3	Forecasts* 1082.8	13.3	1.602
1984:1	30883	9.0	1602.5	10.8	1.200
2	31330	7.8	2163.2	9.8	1.256
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\*November 1, 1983 Quarterly Estimates

Board of Economic Advisors  
12/31/83

# ATTACHMENT B

## FISCAL YEAR 1984 OUTLOOK: GROWTH REQUIRED TO MEET ESTIMATES

			FY 1984 PERCENT CHANGES	FY 1984 PERCENT CHANGES	
	FY 1983 ACTUAL Dec.-June (Millions of \$)	FY 1984 NEEDED Dec.-June (Millions of \$)	NECESSARY TO MEET ESTIMATE Dec.-June	FISCAL YEAR FORECAST	ACTUAL July-Nov.
SALES TAX	402.7	434.4	7.9%	10.8%	14.8%
INDIVIDUAL INCOME TAX	376.3	438.2	16.5	12.0	7.1
CORPORATION INCOME TAX	88.6	91.2	2.9	4.8	9.3
ALL OTHER TAX	256.0	263.5	2.9	3.2	3.9
TOTAL-REGULAR SOURCES	1,123.7	1,227.2	9.2	9.3	9.5
MISCELLANEOUS	40.5	30.0	-25.9	25.3	147.2
GRAND TOTAL-- GENERAL FUND REVENUE	1,164.2	1,257.2	8.0	9.8	12.4

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